

Message Text

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TAGS: ETRN, JA, US

SUBJECT: FMC CHAIRMAN STATEMENT ON MALPRACTICES IN
TRANS-PACIFIC TRADE

1. FMC CHAIRMAN HELEN DELICH BENTLEY ISSUED STATEMENT TO
PRESS AUGUST 17 THAT FMC AND JAPANESE MOT HAVE EACH
ISSUED WARNING TO THEIR RESPECTIVE FLAG CARRIERS THAT
REBATING AND MALPRACTICES IN THE TRANS-PACIFIC TRADE BE
STOPPED IMMEDIATELY. TEXT OF CHAIRMAN BENTLEY'S STATEMENT
FOLLOWS FOR POST'S INFORMATION.

"FEDERAL MARITIME COMMISSION CHAIRMAN DISCUSSED
MALPRACTICES IN TRANS-PACIFIC TRADE FOR IMMEDIATE
RELEASE -- FRIDAY, AUGUST 17, L973

"HELEN DELICH BENTLEY, CHAIRMAN OF THE FEDERAL MARITIME
COMMISSION, ANNOUNCED TODAY THAT THE COMMISSION AND THE
JAPANESE MINISTRY OF TRANSPORT HAVE ISSUED A STERN WARNING
TO EACH OF THEIR FLAG CARRIERS THAT REBATING AND OTHER
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MALPRACTICES MUST BE STOPPED IMMEDIATELY IN THE HEAVILY

OVERTONNAGED AND UNSTABLE TRANS-PACIFIC TRADE.

"CHAIRMAN BENTLEY STATED, 'I MET WITH EXECUTIVES OF THE AMERICAN LINES IN SAN FRANCISCO ON MONDAY, AUGUST 13. AT THAT MEETING I ADVISED THE CARRIERS THAT BOTH THE FMC

AND THE JAPANESE MINISTRY OF TRANSPORT ARE AWARE OF THE LINES WHICH ARE ENGAGED IN THE ILLEGAL MALPRACTICES. I ALSO TOLD THEM TOORU SAHARA, DIRECTOR GENERAL, SHIPPING BUREAU OF THE MINISTRY OF TRANSPORT, AGREES WITH ME THAT IF SUCH ACTIVITIES ARE NOT TERMINATED IMMEDIATELY, THE AGENCIES OF THE TWO GOVERNMENTS WILL JOIN TOGETHER TO TAKE IMMEDIATE AND EFFECTIVE ACTION.'

" 'THE REASON FOR THE COMMISSION'S DEEP CONCERN ABOUT THIS SITUATION,' CHAIRMAN BENTLEY EXPLAINED, ' IS THAT THE INSTABILITY IN THE TRANS-PACIFIC TRADE, RESULTING FROM OVERTONNAGING AND THE RATE CUTTING ACTIVITIES OF THE NON-CONFERENCE SHIPPING LINES, HAS BEEN GREATLY AGGRAVATED BY THE ILLEGAL REBATES AND OTHER MALPRACTICES.'

"CHAIRMAN BENTLEY ENDED HER STATEMENT BY WARNING, 'IF THERE IS NO CONCRETE EVIDENCE WITHIN THE NEXT 30 DAYS THAT THE ILLEGAL REBATING AND LIKE ACTIVITIES HAVE CEASED, THE FEDERAL MARITIME COMMISSION WILL BRING ALL OF ITS RESOURCES TO BEAR ON THIS VERY SERIOUS PROBLEM AND WILL CALL ON THE JAPANESE MINISTRY OF TRANSPORT TO DO LIKEWISE. THIS MATTER SO ADVERSELY AFFECTS THE TRADE AND COMMERCE OF THE UNITED STATES AND EVEN THREATENS THE CONTINUED EXISTENCE OF THE AMERICAN FLAG CARRIERS INVOLVED, THAT I INTEND TO DEVOTE AS MUCH OF MY PERSONAL ATTENTION AS MAY BE REQUIRED TO EFFECT AN IMMEDIATE SOLUTION.'

"REPRESENTED AT THE SAN FRANCISCO MEETING REFERRED TO BY CHAIRMAN BENTLEY WERE:

AMERICAN EXPORT LINES, INC.
AMERICAN MAIL LINE LIMITED
AMERICAN PRESIDENT LINES LIMITED
LYKES BROTHERS STEAMSHIP COMPANY, INC.
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PACIFIC FAR EAST LINE, INC.
SEA-LAND SERVICE, INC.
SEATRAN LINE, INC.
STATES STEAMSHIP COMPANY
US LINES, INC.
WATERMAN STEAMSHIP COMPANY" ROGERS

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